



General Assembly

February Session, 2008

Amendment

LCO No. 3917

SB0049103917SR0

Offered by:
SEN. FASANO, 34th Dist.

To: Subst. Senate Bill No. 491

File No. 269

Cal. No. 202

"AN ACT CONCERNING MEDICAL LOSS RATIOS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 38a-132 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2008*):

6 (b) (1) The commissioner shall approve any merger or other
7 acquisition of control referred to in subsection (a) of this section unless,
8 after a public hearing, he finds that:

9 (A) After the change of control, the domestic insurance company
10 referred to in subsection (a) of this section would not be able to satisfy
11 the requirements for the issuance of a license to write the line or lines
12 of business for which it is presently licensed;

13 (B) The effect of the merger or other acquisition of control would be
14 to substantially lessen competition of insurance in this state or tend to

15 create a monopoly herein;

16 (C) The financial condition of any acquiring party is such as might
17 jeopardize the financial stability of the insurance company or prejudice
18 the interests of its policyholders;

19 (D) The plans or proposals which the acquiring party has to:
20 [liquidate] (1) Liquidate the insurance company, (2) sell its assets, [or]
21 (3) consolidate or merge it with any person, (4) restructure, reform or
22 terminate existing contractual obligations with health care providers,
23 or [to] (5) make any other material change in its business or corporate
24 structure or management, are unfair and unreasonable to
25 policyholders of the insurance company or health care providers
26 having a contractual relationship with the insurance company and not
27 in the public interest;

28 (E) The competence, experience and integrity of those persons who
29 would control the operation of the insurance company are such that it
30 would not be in the interest of policyholders of the insurance company
31 and of the public to permit the merger or other acquisition of control;
32 or

33 (F) The acquisition is likely to be hazardous or prejudicial to those
34 buying insurance.

35 (2) For purposes of this subsection, "other acquisition of control"
36 includes any offer, request, invitation, agreement, solicitation, or
37 acquisition subject to section 38a-130."